

Message Text

LIMITED OFFICIAL USE

PAGE 01 RANGOO 02030 071116Z
ACTION EA-12

INFO OCT-01 ISO-00 AID-05 L-03 EB-08 COME-00 TRSE-00
OMB-01 EUR-12 SS-15 SP-02 CIAE-00 INR-10 NSAE-00
H-01 /070 W
-----094316 071156Z /45 43
R 060917Z JUN 78
FM AMEMBASSY RANGOON
TO SECSTATE WASHDC 5487

LIMITED OFFICIAL USE RANGOON 2030

C O R R E C T E D C O P Y (TEXT)

E.O. 11652: N/A
TAGS: EAID, EINV, BM
SUBJECT: STATUS OF EXPROPRIATED ASSETS OF AMERICAN CITIZENS

REF: STATE 121130

SUMMARY: STATUS OF BLOCKED FUNDS OF U.S. FIRMS IN BURMA REMAINS UNCHANGED FROM THAT PREVIOUSLY REPORTED, AND THE EMBASSY'S RECORD OF THESE CLAIMS ESSENTIALLY AGREES WITH THAT SET FORTH BY THE DEPARTMENT. THE GUB HAS SENT ONLY AN INTERIM REPLY TO AN EMBASSY NOTE DATED APRIL 16, 1978 REQUESTING CLARIFICATION AS TO STATUS OF THESE ACCOUNTS AND WHAT STEPS ARE NECESSARY TO RETURN THE FUNDS TO THEIR LEGAL OWNERS. ALSO THE GUB HAS NOT YET AGREED TO ANY GENERAL SETTLEMENT REGARDING THE FROZEN ASSETS OF U.K. FIRMS, BUT A BRITISH EMBASSY OFFICER EXPRESSED PERSONAL OPTIMISM THAT SOME SATISFACTORY AGREEMENT WOULD SOON BE REACHED. THE EMBASSY WILL CONTINUE TO MONITOR THE SITUATION AND WILL REPORT ANY SIGNIFICANT DEVELOPMENTS TO THE DEPARTMENT. END SUMMARY

1. EMBASSY RECORDS REGARDING CLAIMS OF U.S. FIRMS FOR NATIONALIZED OR FROZEN ASSETS IN BURMA ESSENTIALLY AGREE WITH THOSE SET FORTH IN THE DEPARTMENT'S MEMO DATED FEBRUARY 6, 1975 (PARA 2 REFTEL).

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 RANGOO 02030 071116Z

IT IS OUR UNDERSTANDING THAT THE TWO RELIGIOUS ORGANIZATIONS WHICH HAD PROPERTY EXPROPRIATED, SEVENTH DAY ADVENTISTS AND AMERICAN BAPTIST CONVENTION, HAVE NO INTEREST IN PURSUING THEIR CLAIMS.

2. AS FOR THE REMAINING FIRMS, HOME INSURANCE COMPANY, INTERNATIONAL TESTING AND ENGINEERING CORPORATION, MOTION PICTURE

EXPORT ASSOCIATION AND BEATRICE FOODS, NONE WERE AFFECTED BY THE GUB OFFER OF COMPENSATION FOR NATIONALIZED PROPERTY DATED DECEMBER 6, 1973. THE FIRST THREE FIRMS NAMED HAVE DEPOSITS IN BURMA'S BANKING SYSTEM WHICH ARE FROZEN. THE GUB OFFER OF COMPENSATION DID NOT EXTEND TO SUCH ASSETS. BEATRICE FOODS COMPANY HAS A CLAIM FOR CAPITAL INVESTED IN 1961 IN U JOINT VENTURE WHICH THE GUB SUBSEQUENTLY DID NOT PERMIT. BEATRICE HAS SENT AT LEAST TWO LETTERS THROUGH THE EMBASSY ADDRESSED TO THE RPRIME MINISTER SETTING FORTH ITS CLAIM AND REQUESTING COMPENSATION. AS FAR AS THE EMBASSY IS AWARE, THE GUB HAS NOT ACKNOWLEDGED THESE LETTERS.

3. THE GUB POSITION ON THE BLOCKED ACCOUNTS OF THE OTHER FIRMS REMAINS AS PREVIOUSLY REPORTED, I.E., THESE CLAIMS WILL BE CONSIDERED ON A CASE BY CASE BASIS, AND THE FUNDS CAN BE RELEASED ONLY IN LOCAL CURRENCY AND ONLY FOR A SPECIFIC PURPOSE APPROVED BY THE GUB. FOR ALL PRACTICAL PURPOSES THE ASSETS REMAIN FROZEN.

4. ON APRIL 16 OF THIS YEAR THE EMBASSY SENT A DIPLOMATIC NOTE TO THE GUB MINISTRY OF FOREIGN AFFAIRS INQUIRING ABOUT THE STATUS OF THESE ACCOUNTS AND WHAT STEPS COULD BE TAKEN TO REMIT THE FUNDS TO THEIR LEGAL OWNERS. THE MINISTRY OF FOREIGN AFFAIRS REPLIED IN A NOTE DATED MAY 16, 1978 THAT THE CONTENTS OF THE EMBASSY'S NOTE HAD "BEEN CONVEYED TO THE AURHORITIES CONCERNED" AND "FURTHER COMMUNICATION WILL BE MADE WHEN A REPLY IS RECEIVED LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 RANGOO 02030 071116Z

IN THE MINISTRY". TO DATE, THE EMBASSY HAS RECEIVED NO FURTHER COMMUNICATION ON THE SUBJECT FROM THE MINISTRY. HOWEVER, AN MFA OFFICIAL TOLD AN EMBASSY OFFICER THAT A MORE DETAILED REPLY IS UNDER PREPARATION.

5. UK FIRMS HAVE FAR GREATER CLAIMS FOR FROZEN ASSETS IN BURMA THAN DO U.S. FIRMS, AND THE BRITISH EMBASSY HERE HAS BEEN PRESSING THESE CLAIMS FOR MANY YEARS. A BRITISH EMBASSY OFFICER RECENTLY SAID THAT NO AGREEMENT HAD YET BEEN REACHED ON THESE FUNDS, BUT HE WAS PERSONALLY OPTIMISITC THAT SOME MUTUALLY SATISFACTORY SETTLEMENT WOULD BE REACHED IN THE NEAR FUTURE. HE SAID THAT THE U.K. HAD MADE IT CLEAR TO THE GUB THAT ANY FUTURE BRITISH ASSISTANCE FOR BURMA WOULD BE CONGINGENT UPON A SATISFACTORY SETTLEMENT OF THESE CLAIMS. THE U.K. DELEGATION IN ITS PRESENTATION TO THE BURMA AID GROUP MEETING AT PARIS MENTIONED THESE FUNDS AND IMPLIED THAT A SETTLEMENT WAS EXPECTED BEFORE THE U.K. WOULD PROVIDE ADDITIONAL ASSISTANCE TO BURMA.

6. THE EMBASS WILL CONTINUE TO MONITOR THE BRITISH CLAIMS AND TO FOLLOW UP ON CLAIMS OF U.S. FIRMS. IF WE RECEIVE A MORE DETAILED REPLY TO OUR NOTE OF APRIL 16, WE SHALL INFORM THE

DEPARTMENT. AS FAR AS THE EMGASSY IS AWARE THE GUB IS NOT IN
AREARS AS DEBTOR OR GUARANTOR ON OTHER DEBTS TO U.S. CITIZENS
FOR GOODS OR SERVICES FURNISHED OR ORDERED.
BEAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CLAIMS, NATIONALIZATION, POLICIES
Control Number: n/a
Copy: SINGLE
Draft Date: 06 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978RANGOO02030
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780237-0835
Format: TEL
From: RANGOON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780691/aaaadamu.tel
Line Count: 120
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 4b056e91-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 121130
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 02 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2475617
Secure: OPEN
Status: NATIVE
Subject: STATUS OF EXPROPRIATED ASSETS OF AMERICAN CITIZENS
TAGS: EAID, EINV, BM, US
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/4b056e91-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014